



# U.S. TRADE IN PERSPECTIVE

U.S. Department of Commerce, International Trade Administration, Trade Development July 2001



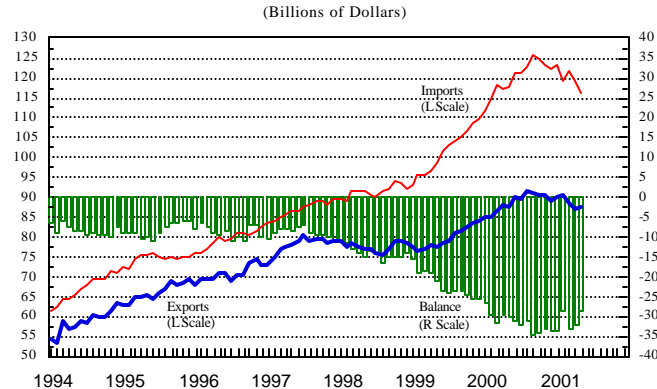
## Trade Deficit Lower in May, Sharp Decline in Imports-Exports Up

**Recent Developments:** *U.S. exports of goods and services rose \$0.8 billion to \$87.7 billion in May 2001 and imports fell \$2.9 billion to \$116.1 billion. The trade deficit was \$28.3 billion, \$3.7 billion less than April's revised data.*

**Trade Performance:** Year-to-date, exports were up 2.6 percent, while imports were up 3.4 percent. The goods and services deficit was \$372.8 billion (annual rate), compared with a deficit of \$353.0 billion in the same period in 2000.

In May, U.S. exports of goods grew \$0.6 billion to \$62.8 billion. The April to May change reflected increases in exports of capital goods such as drilling and oilfield equipment; civilian aircraft; and automotive vehicles, parts and engines. Increases were also reflected in consumer goods, namely pharmaceutical preparations. Merchandise imports declined \$2.6 billion to \$97.2 billion, reflecting decreases in capital goods. Some of these goods were high tech commodities--semiconductors, telecom equipment, computer accessories, and commuters; civilian aircraft; electric apparatus; and automotive vehicles, parts, and engines. Decreases were reflected in consumer goods such as pharmaceutical preparations; toys, games, and sporting goods; cotton apparel and textiles; and household goods. Decreases also occurred in industrial supplies and materials. Among the sectors in which imports fell were fuel oil; iron and steel mill products; natural gas; and copper. The trade surplus in services was \$6.1 billion in May, up from April.

## U.S. INTERNATIONAL TRADE



In the first quarter of 2001, the U.S. trade deficit was 3.6 percent of the gross domestic product (GDP). Last year, the trade deficit was 3.7 percent of GDP, and in 1999, it was 2.8 percent.

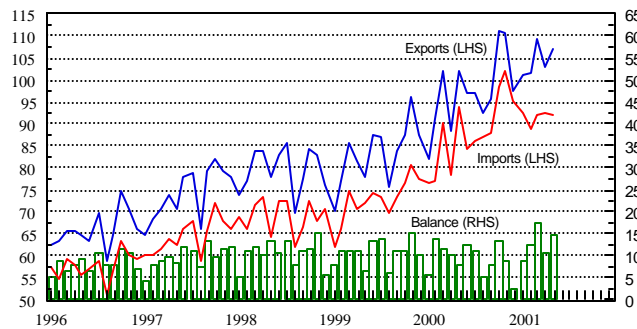
### May Highlights:

- The May deficit with Japan (\$4.8 billion) was the lowest since January 1999 (\$4.6 billion), exports of \$4.9 billion were the lowest since January 2000 (\$4.8 Billion), and imports of \$9.7 billion were the lowest since May 1999 (\$9.5 billion).
- May exports to the United Kingdom (\$4.0 billion) were the highest on record.
- May exports of consumer goods (\$8.1 billion) were a record.

**In Germany, the economy has been weakening** - since the middle of last year. Industrial production figures for May 2001, down 4.8 percent from a year ago, appear to confirm the slowing.

## INTERNATIONAL TRADE

(Merchandise, Billions of DM)

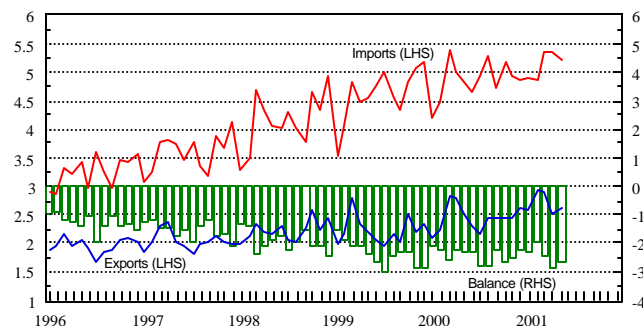


**Germany's Trade with the World** - reached DM980.2 billion during the first five months of 2001, an 11 percent increase over the same period in 2000. During this period, Germany's exports totaled DM522.1 billion, an increase of 12 percent, and imports were DM458.1 billion, an increase of 10 percent. As a result, Germany had a trade surplus of DM154 billion (annual rate) in 2001, an improvement from a DM117 billion trade surplus the year before.

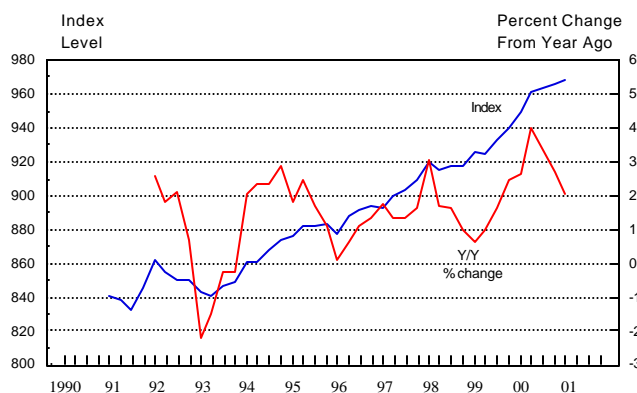
**U.S.-Germany Bilateral Trade** - reached US\$39.2 billion during the first five months of 2001, a 7.8 percent increase over the same period a year ago. During this period, U.S. exports to Germany totaled \$13.5 billion, an increase of 8.7 percent over the same period a year ago, and U.S. imports were \$25.7 billion, an increase of 7.4 percent. The United States had a trade deficit of \$29.2 billion (annual rate) as compared with \$27.6 billion in the same period in 2000.

## U.S. TRADE WITH GERMANY

(Billions of Dollars)



## REAL GROSS DOMESTIC PRODUCT



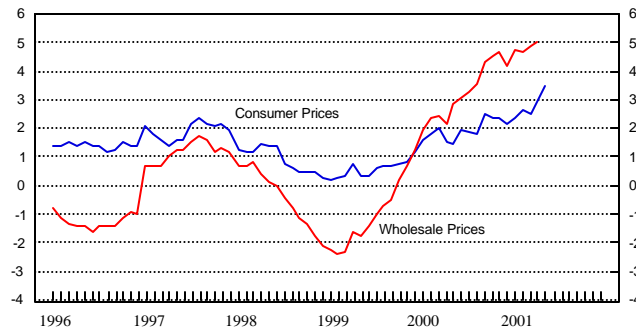
**Developments in Economic Growth** - In the first quarter 2001, Germany's GDP increased 2.0 percent compared to the same period in 2000 - the weakest growth rate in the past year and a half.

## INFLATION RATES

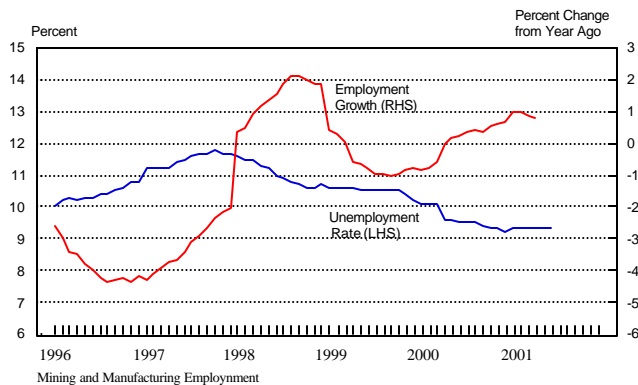
(Percent Change from Year Ago)

### Developments in Inflation -

Germany's consumer price inflation rose to 3.5 percent in May 2001 from only 0.4 percent two years earlier. The rise in wholesale prices has been even larger, and increasing in recent months.



## LABOR MARKETS



### Developments in Labor Markets -

In June 2001, the rate of unemployment in Germany was 9.3 percent, a level that has changed little over most of the past year. The labor market in Germany, however, has improved since the fall of 1997 when the rate of unemployment reached 11.8.

### Developments in Financial

**Markets** - Short-term interest rates in Germany have come down slightly in recent months, with money market rates currently at 4.4 percent. In the meantime, the stock market has moved lower, though it remains double the level reached at the beginning of 1997. The Unified German Stock Index has fallen 16.7 percent in the past year.

## INTEREST RATES

(Percent)

